

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-302-C

In Re:)	
Application of Network Enhanced)	
Technologies, Inc. for Authority to)	
Operate as a Reseller of Interexchange)	SETTLEMENT AGREEMENT
Telecommunication Services and for)	
Alternative Regulation Within the)	
State of South Carolina)	

This Settlement Agreement (“Settlement Agreement”) is made by and among the Office of Regulatory Staff (“ORS”) and Network Enhanced Technologies, Inc. (“Network” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on August 17, 2007, Network filed its Application requesting a Certificate of Public Convenience and Necessity to operate as a reseller of interexchange telecommunications services within the State of South Carolina and for Alternative Regulation for its interexchange services;

WHEREAS, on August 30, 2007, counsel for ORS entered a notice of appearance in this matter;

WHEREAS, on August 31, 2007, Network pre-filed the direct testimony of Dr. Kay Kamrava with the Commission;

WHEREAS, on September 7, 2007, the Public Service Commission of South Carolina (“the Commission”) appointed David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, the Commission scheduled this matter to be heard before Hearing Examiner David Butler on November 19, 2007 at 11:30 am;

WHEREAS, the purpose of this proceeding is to review the application filed by Network and its request for a Certificate of Public Convenience and Necessity to provide resold intrastate interexchange communications services and for alternative regulation for its interexchange services in South Carolina;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide such services;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Company, and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by Network and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by Network;

WHEREAS, as a result of its investigations, ORS has determined a) Network intends to offer telecommunications services such as “1 +” dialing, toll-free inbound service, travel card service, and directory assistance services; b) the officers of Network possess sufficient technical and managerial abilities to adequately provide the services applied for; c) based upon the information provided and the analysis performed, Network appears to have access to sufficient financial resources necessary to provide the services proposed in its application; d) Network’s proposed tariffs comply with Commission statutes and regulations; e) the services provided by Network will meet the service standards required by the Commission; f) the provision of services by the Company will not adversely impact the availability of affordable telecommunications

services; g) to the extent it is required to do so by the Commission, Network will participate in the support of universally available telephone service at affordable rates; and h) the provision of interexchange services by Network will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that Network's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of Network Witness Kamrava without cross-examination by ORS on matters known as of the time of the filing of this Settlement Agreement;
- 3) Network agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, Network agrees to adhere to the Federal Communication Commission rule 47 C.F.R. §§ 64.1120, 64.1130 and 64.1190. With regard to preferred carrier freezes, written authorization for the institution of the freeze must be in the form of a separate or easily separable document. Prior to abandonment of service, Network shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers and services to another provider;

- 4) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the state of South Carolina;
- 5) ORS does not oppose the Company's request for waivers of 26 S.C. Code Ann. Regs. 103-610, 26 S.C. Code Ann. Regs. 103-612.2.3, and 26 S.C. Code Ann. Regs. 103-631;
- 6) ORS does not oppose the Company's request that all of its telecommunications offerings be regulated as described in its application pursuant to the procedures set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C;
- 7) Network agrees to resell the services of only those interexchange carriers authorized to do business in South Carolina by the Commission. Network agrees to notify ORS and the Commission, in writing, if the Company changes underlying carriers;
- 8) Network agrees that the Company will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;
- 9) The Company agrees to file necessary financial and other information with the Commission and ORS for universal service fund reporting, interim LEC fund reporting, annual reporting and/or gross receipts reporting to the extent required by law and Commission orders. Additionally, the Company agrees to file with the Commission authorized utility representative forms within thirty (30) days of the Commission's order.

- 10) The Company, certificated by this Commission, agrees to maintain its books and records in a manner that would permit ORS to audit the company's reports filed with the Commission and provided to ORS.
- 11) Network agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;
- 12) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

- 13) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued

approving this Settlement Agreement and the terms and conditions contained herein.

- 14) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.
- 15) This Settlement Agreement shall be interpreted according to South Carolina law.
- 16) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

[SIGNATURE PAGE FOLLOWS]

WE AGREE:

Representing the Office of Regulatory Staff

Shealy Boland Reibold

Shealy Boland Reibold, Esquire

Office of Regulatory Staff

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Nov. 9, 2007

Date

WE AGREE:

Representing Network Enhanced Technologies, Inc.

Scott Elliott, Esquire

Elliott & Elliott, PA

721 Olive Street

Columbia, South Carolina 29205

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Fax: (803) 771-8010

Email: selliot@elliottlaw.us

November 9, 2007

Date

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2007-302-C

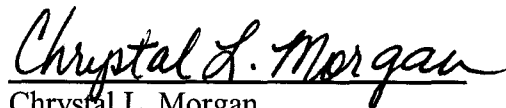
IN RE:

Application of Network Enhanced)	
Technologies, Incorporated for Authority to)	CERTIFICATE OF
Operate as a Reseller of Interexchange)	SERVICE
Telecommunication Services within the State)	
of South Carolina and for Alternative)	
Regulation		

This is to certify that I, Chrystal L. Morgan, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC, 29205

Lance J.M. Steinhart, Esquire
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Suite 115
Alpharetta, GA, 30005


Chrystal L. Morgan

November 9, 2007
Columbia, South Carolina